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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board — July 1988

GLOBAL ECONOMIC EXPANSION PERSISTS —Signs of Recession All But Invisible

SUMMARY

Worldwide, the business cycle continues on the upswing in every major country. The leading indexes are also climbing, suggesting further gains in economic activity ahead, but at a moderate pace.

Regionally, the picture is nearly identical in every major area. This represents a change from the earlier pattern, which showed the Pacific countries advancing more rapidly and Europe more sluggishly.

Nationally, the advance of the leading index for Japan has cooled down while the German and French leading indexes now look stronger. The closest thing to weakness is found in the U.K leading index, the only one with a negative growth rate (-1%) at the latest reading. But genuine signals of recession are nowhere to be found.

Interpretation: The long steady economic advance of the major industrial countries just keeps rolling along, as it has for more than 5½ years. The leading indexes are giving no signs of recession. Rather, they suggest further moderate growth ahead.

Summary Of Growth Rates, Ten Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
	annual rates, percent								
Ten countries	3	5	6	6	10	4	3	Expansion continuing	Apr.
9 countries excl. U.S.	3	5	6	6	12	5	3	Expansion continuing	Apr.
North America (2)	3	5	5	5	7	3	3	Expansion continuing	Apr.
Europe (4)	2	4	5	5	3	2	3	Expansion continuing	Apr.
Pacific Region (4)	4	7	8	7	26	9	3	Expansion continuing	Apr.
United States	3	5	5	4	4	2	1	Expansion continuing	May.
Canada	3	7	6	5	4	6	4	Expansion continuing	Apr.
West Germany	2	3	3	3	4	5	7	Expansion continuing, leaders stronger	Apr.
France	2	6	5	5	3	3	4	Expansion continuing, leaders stronger	Apr./May
United Kingdom	2	6	7	7	3	2	-1	Expansion continuing, leaders weak	Apr.
Italy	2	1	3	5	1	-3	1	Expansion continuing, leaders weak	Jan./Apr.
Japan	4	6	8	7	30	9	2	Expansion continuing	Apr.
Australia	3	7	7	10	8	3	4	Expansion continuing	Apr.
Taiwan, R.O.C.	8	8	10	3	13	11	15	Expansion continuing, leaders strong	May
Korea, R.O.K.	7	9	18	10	8	16	7	Expansion continuing	Apr.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1986-87

		10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
July	86	114	118	115	115	113	121	108	113	126	120
Aug.	86	114	116	115	115	113	121	108	113	126	120
Sept.	86	115	119	115	116	114	122	108	113	127	122
Oct.	86	115	120	116	117	114	122	108	113	127	124
Nov.	86	115	119	116	118	114	121	109	113	127	126
Dec.	86	116	121	116	119	115	124	109	114	128	128
Jan.	87	115	122	116	120	114	124	109	115	129	131
Feb.	87	116	124	117	121	116	127	109	115	129	132
Mar.	87	116	126	117	123	116	128	109	116	130	137
Apr.	87	117	127	118	126	116	129	110	116	129	142
May	87	117	128	118	127	116	129	110	116	129	146
June	87	117	131	118	130	116	131	111	117	131	153
July	87	118	132	119	132	117	132	111	118	132	157
Aug.	87	119	134	120	134	118	132	111	118	132	164
Sept.	87	119	134	120	134	118	132	112	118	134	163
Oct.	87	120	133	121	134	119	132	112	118	134	161
Nov.	87	120	132	122	132	119	131	113	117	135	158
Dec.	87	121	132	122	132	120	131	113	117	136	157
Jan.	88	122	132	123	132	120	132	114	118	137	157
Feb.	88	123	133	124	132	121	132	114	119	140	156
Mar.	88	123	133	125	133	122	133	115	120	140	157
Apr.	88	123	134	125	134	122	133	115	120	140	158

10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
3	3	4	3	2	3	4	3	3	5
3	3	3	3	2	2	3	2	3	5
3	4	4	5	2	3	4	3	4	8
3	5	4	6	2	3	3	3	4	11
3	4	3	6	2	1	3	2	3	13
3	6	3	8	3	4	3	3	4	15
3	7	3	8	2	4	3	4	6	17
4	9	4	9	4	9	3	4	4	17
3	10	3	11	3	9	3	4	4	22
3	12	3	13	3	9	3	5	3	28
3	12	3	14	3	8	3	4	2	31
4	15	4	17	3	11	3	5	4	38
4	15	5	17	4	10	4	5	6	39
4	15	4	19	4	9	4	4	5	43
5	13	5	16	4	9	4	4	6	35
5	10	5	12	5	7	4	3	7	26
5	6	6	8	5	4	5	1	7	17
6	5	6	6	6	3	5	1	8	12
6	4	6	5	5	3	5	2	8	9
7	3	7	4	6	3	5	3	11	5
7	3	7	4	6	3	5	4	10	3
6	3	6	3	5	3	5	3	7	3
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, TEN COUNTRIES, 1986-88

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.	
		Indexes, 1980 = 100																			
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
July	86	113	122	117	116	108	111	112	115	104	112	106	113	124	116	118	114	149	160	163	166
Aug.	86	113	122	117	116	108	111	112	115	104	112	106	113	124	116	119	115	150	162	167	168
Sept.	86	113	123	117	116	108	111	112	116	105	113	107	113	125	119	119	116	152	163	165	169
Oct.	86	113	123	117	116	108	111	112	116	105	113	107	114	126	121	119	118	154	165	167	170
Nov.	86	114	122	118	116	108	112	113	116	106	113	107	114	125	123	119	119	156	168	168	170
Dec.	86	114	124	118	116	108	112	113	117	106	113	107	114	126	126	119	121	158	169	170	173
Jan.	87	114	124	119	117	108	113	113	117	106	115	107	114	127	128	119	121	158	169	173	171
Feb.	87	115	128	120	118	108	114	113	117	107	115	107	115	127	129	120	122	162	174	176	181
Mar.	87	115	129	120	119	108	114	114	118	107	116	107	115	127	135	120	124	160	174	179	180
Apr.	87	116	130	121	120	109	114	114	120	108	115	108	117	127	141	121	125	162	180	179	182
May	87	116	129	122	120	109	114	115	120	108	116	108	116	126	146	122	126	163	181	179	183
June	87	116	132	122	121	110	115	116	120	108	116	108	117	128	154	123	127	165	182	182	188
July	87	117	132	122	121	110	116	116	121	109	117	108	116	129	158	125	128	168	183	183	189
Aug.	87	117	133	123	121	110	117	116	121	110	117	108	114	130	166	125	129	170	187	182	182
Sept.	87	118	133	124	124	110	116	117	122	110	117	108	115	131	164	126	130	171	192	187	197
Oct.	87	118	133	125	122	110	116	118	121	111	117	109	116	132	162	126	130	171	194	186	188
Nov.	87	118	132	125	124	111	115	118	121	112	116	109	115	132	159	126	128	171	192	190	195
Dec.	87	120	132	126	123	112	116	119	122	112	116	109	114	134	157	128	129	170	193	196	198
Jan.	88	120	132	126	125	112	118	119	122	113	117	111	113	134	158	128	129	168	192	200	202
Feb.	88	120	133	127	125	112	120	120	122	113	116		115	137	156	130	129	175	197	204	202
Mar.	88	121	134	127	126	113	120	121	124	114	117		116	137	156	134	130	171	201	204	206
Apr.	88	121	134	127	126	112	121	121	123	115	116		116	136	158	133	131	171	202	200	200
May	88	121	133						124									172	206		
Growth Rates, Percent																					
July	86	2	3	2	2	6	– 1	4	6	2	2	2	4	2	4	1	0	12	13	16	21
Aug.	86	2	2	2	2	5	0	4	6	2	1	0	3	2	4	2	1	12	13	18	20
Sept.	86	2	3	2	2	5	0	4	6	3	3	2	4	3	8	1	5	13	12	14	18
Oct.	86	2	3	2	2	4	0	4	6	3	2	2	4	3	11	2	7	13	12	14	16
Nov.	86	2	1	2	1	4	0	3	4	4	3	2	4	2	13	2	8	13	14	13	14
Dec.	86	3	5	3	2	3	2	4	6	4	3	2	3	3	16	1	10	14	13	12	14
Jan.	87	2	4	3	3	2	3	3	5	3	5	2	2	4	19	0	10	13	12	14	10
Feb.	87	4	4	4	4	2	5	3	4	4	5	1	3	3	18	2	10	15	15	15	20
Mar.	87	3	9	4	5	2	4	3	5	4	5	1	3	3	25	2	12	11	13	17	15
Apr.	87	3	9	5	7	3	4	4	7	4	4	2	4	2	31	3	12	13	18	13	15
May	87	3	8	6	6	2	3	4	6	4	5	2	2	1	35	4	13	11	17	12	13
June	87	3	11	6	6	2	4	5	6	5	4	1	4	3	44	6	12	11	15	13	16
July	87	4	10	5	8	3	5	5	6	5	4	1	3	5	45	8	11	12	14	12	15
Aug.	87	4	10	6	5	3	6	5	8	6	4	–1	–1	5	50	7	12	13	16	8	5
Sept.	87	4	9	6	8	3	4	5	7	6	4	2	0	6	39	7	11	12	20	13	20
Oct.	87	5	7	7	4	3	4	6	4	6	3	3	1	6	30	7	8	10	18	9	8
Nov.	87	5	4	7	6	4	1	5	3	7	1	3	–1	7	19	6	5	8	13	13	14
Dec.	87	5	3	7	4	4	2	6	3	7	0	3	–2	7	13	9	4	6	12	16	15
Jan.	88	5	3	6	6	3	5	5	2	7	2	5	–3	8	9	7	3	3	9	18	16
Feb.	88	5	2	6	5	4	7	6	3	6	0		–1	10	4	9	3	10	11	20	14
Mar.	88	6	3	6	7	4	7	6	4	6	0		2	9	2	14	3	3	14	18	16
Apr.	88	5	3	5	4	3	7	5	2	7	–1		1	7	2	10	4	2	13	10	7
May	88	4	1						4									3	15		
Ten Year Annual Growth Rate, Percent																					
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7